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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

vs.

D-1 JOHNNIE DENHAM, JR.

(Cts.1-2, 4, 6-8, 10-11),

D-2 ANTHONY CRAIG PAUL

(Cts.1, 4-5, 9),

D-3 VERNON LAWSON

(Cts.1, 3, 6-7),

D-4 FELICIA C. RAMSEY

(Cts. 1, 10-11), and

D-5 JACQUELINE BROWN

(Cts. 1, 6),

Defendants.

Case:2:14-cr-20115

Judge: Rosen, Gerald E.

MJ: Michelson, Laurie J.

Filed: 03-04-2014 At 04:04 PM

INDI USA V. DENHAM, ET AL (TAM)

Offenses:

Ct.1: False Claims Conspiracy

Cts.2-11: False Claims

Violations:

Ct.1: 18 U.S.C. §286

Cts.2-11: 18 U.S.C. §287

INDICTMENT

The Grand Jury charges:

COUNT ONE

(as to all defendants)

***18 U.S.C. §286: Conspiracy to Defraud
the Government With Respect to Claims***

Beginning in or about March 2009 and continuing until in or about July

2010, in the Eastern District of Michigan, **D-1 JOHNNIE DENHAM, JR., D-2 ANTHONY CRAIG PAUL, D-3 VERNON LAWSON, D-4 FELICIA C. RAMSEY, and D-5 JACQUELINE BROWN**, defendants, and others, both known and unknown to the grand jury, unlawfully, willfully and knowingly agreed, combined and conspired with each other and others both known and unknown by the Grand Jury to defraud the United States by obtaining, or aiding to obtain, the payment or allowance of false, fictitious and fraudulent claims.

Manner and Means

D-1 JOHNNIE DENHAM, JR., D-2 ANTHONY CRAIG PAUL, and D-3 VERNON LAWSON agreed to participate in, and participated in, a scheme to obtain, and help others to obtain, payment of false claims for refunds from the Internal Revenue Service ("IRS") by filing in their own names, and by causing others to file, false 2008 federal income tax returns and false 2008 amended federal income tax returns claiming refunds to which they knew they were not entitled. **D-1 JOHNNIE DENHAM, JR.**, using TurboTax software, submitted many of the fraudulent returns. **D-1 JOHNNIE DENHAM, JR., D-2 ANTHONY CRAIG PAUL** and **D-3 VERNON LAWSON** solicited, instructed, and assisted others in falsely claiming federal income tax refunds through the preparation and submission of false federal income tax returns and amended returns, and obtained a large portion of the proceeds when the claims were successful.

To accomplish the objects of this scheme, in 2009, **D-1 JOHNNIE DENHAM, JR.** recruited **D-5 FELICIA C. RAMSEY** to file two amended federal income tax returns containing false claims for refunds to which she was not entitled, **D-2 ANTHONY CRAIG PAUL** recruited an individual whose initials are **SLM** to file a federal income tax return and an amended federal income tax return, each falsely claiming refunds to which she was not entitled, and **D-3 VERNON LAWSON** recruited an individual whose initials are **JM** and **D-5 JACQUELINE BROWN** to file federal income tax returns falsely claiming refunds to which they were not entitled.

It was further part of the scheme and conspiracy that, in 2010, certain of the conspirators sent frivolous and false correspondence to the Internal Revenue Service, and engaged or attempted to engage in financial transactions, all designed to prevent the Internal Revenue Service from recovering funds it had paid out as a result of the false claims described above, all in violation of Section 286 of Title 18 of the United States Code.

COUNT TWO

(as to D-1 JOHNNIE DENHAM, JR.)

18 U.S.C. §287: False, Fictitious or Fraudulent Claim

On or about March 19, 2009, in the Eastern District of Michigan, **D-1 JOHNNIE DENHAM, JR.**, defendant, knowingly made and presented to the Internal Revenue Service, an agency of the Department of the Treasury,

claims against the United States for payment which he knew to be false, fictitious and fraudulent, by preparing and causing to be prepared, and filing and causing to be filed, what purported to be an individual federal income tax return for JOHNNIE DENHAM, JR., in which a claim for an income tax refund in an amount of \$284,433 was made, with knowledge that such claims were false, fictitious, and fraudulent, all in violation of Sections 287 of Title 18 of the United States Code.

COUNT THREE
(as to D-3 VERNON LAWSON)
18 U.S.C. §287: False, Fictitious or Fraudulent Claim

On or about April 14, 2009, in the Eastern District of Michigan, **D-3 VERNON LAWSON**, defendant, knowingly made and presented to the Internal Revenue Service, an agency of the Department of the Treasury, a claim against the United States for payment which he knew to be false, fictitious and fraudulent, by preparing and causing to be prepared, and filing and causing to be filed, what purported to be an individual federal income tax return for **D-3 VERNON LAWSON**, in which a claim for an income tax refund in an amount of \$463,465 was made, with knowledge that such claims were false, fictitious, and fraudulent, all in violation of Sections 287 and 2 of Title 18 of the United States

Code.

COUNT FOUR

(as to D-1 JOHNNIE DENHAM, JR.; D-2 ANTHONY CRAIG PAUL)

18 U.S.C. §§287, 2: False, Fictitious or Fraudulent Claim, Aiding and Abetting

On or about April 15, 2009, in the Eastern District of Michigan,

D-1 JOHNNIE DENHAM, JR., and D-2 ANTHONY CRAIG PAUL,

defendants, aiding and abetting each other and one other whose name is known to the Grand Jury, knowingly made and presented to the Internal Revenue Service, an agency of the Department of the Treasury, a claim against the United States for payment which they knew to be false, fictitious and fraudulent, by preparing and causing to be prepared, and filing and causing to be filed, what purported to be an individual federal income tax return for taxpayer whose initials are SLM, in which a claim for an income tax refund in an amount of \$60,584 was successfully made, with knowledge that such claims were false, fictitious, and fraudulent, all in violation of Sections 287 and 2 of Title 18 of the United States Code.

COUNT FIVE

(as to D-2 ANTHONY CRAIG PAUL)

18 U.S.C. §287: False, Fictitious or Fraudulent Claim

On or about April 21, 2009, in the Eastern District of Michigan,

D-2 ANTHONY CRAIG PAUL, defendant, knowingly made and presented to the Internal Revenue Service, an agency of the Department of the Treasury, a claim against the United States for payment which he knew to be false, fictitious and fraudulent, by preparing and causing to be prepared, and filing and causing to be filed, what purported to be an individual federal income tax return for **D-2 ANTHONY CRAIG PAUL**, in which a claim for an income tax refund in an amount of \$68,548 was made, with knowledge that such claim was false, fictitious, and fraudulent, all in violation of Section 287 of Title 18 of the United States Code.

COUNT SIX

(as to **D-1 JOHNNIE DENHAM, JR.;**

D-3 VERNON LAWSON; D-5 JACQUELINE BROWN)

18 U.S.C. §§287, 2: False, Fictitious or Fraudulent Claim, Aiding and Abetting

On or about April 27, 2009, in the Eastern District of Michigan,

D-1 JOHNNIE DENHAM, JR., D-3 VERNON LAWSON, and

D-5 JACQUELINE BROWN, defendants, aiding and abetting one another,

knowingly made and presented to the Internal Revenue Service, an agency of the Department of the Treasury, a claim against the United States for payment which they knew to be false, fictitious and fraudulent, by preparing and causing to be prepared, and filing and causing to be filed, what purported to

be an individual federal income tax return for **D-5 JACQUELINE BROWN**, in which a claim for an income tax refund in an amount of \$488,432 was successfully made, with knowledge that such claims were false, fictitious, and fraudulent, all in violation of Sections 287 and 2 of Title 18 of the United States Code.

COUNT SEVEN

(as to **D-1 JOHNNIE DENHAM, JR.**; **D-3 VERNON LAWSON**)
18 U.S.C. §§287, 2: False, Fictitious or Fraudulent Claim, Aiding and Abetting

On or about May 12, 2009, in the Eastern District of Michigan, **D-1 JOHNNIE DENHAM, JR.**, and **D-3 VERNON LAWSON**, defendants, aiding and abetting one another, knowingly made and presented to the Internal Revenue Service, an agency of the Department of the Treasury, claims against the United States for payment which they knew to be false, fictitious and fraudulent, by preparing and causing to be prepared, and filing and causing to be filed, what purported to be an individual federal income tax return for a taxpayer whose initials are **JM**, in which a claim for an income tax refund in an amount of \$2,759,723 was made, with knowledge that such claims were false, fictitious, and fraudulent, all in violation of Sections 287 and 2 of Title 18 of the United States Code.

COUNT EIGHT

(as to D-1 JOHNNIE DENHAM, JR.)

18 U.S.C. §§287: False, Fictitious or Fraudulent Claim

On or about July 10, 2009, in the Eastern District of Michigan,

D-1 JOHNNIE DENHAM, JR., defendant, knowingly made and presented to the Internal Revenue Service, an agency of the Department of the Treasury, a claim against the United States for payment which they knew to be false, fictitious and fraudulent, by preparing and causing to be prepared, and filing and causing to be filed, what purported to be an amended individual federal income tax return for **D-1 JOHNNIE DENHAM, JR.**, in which a claim for an income tax refund in an amount of \$514,635 was made, with knowledge that such claim was false, fictitious, and fraudulent, all in violation of Section 287 of Title 18 of the United States Code.

COUNT NINE

(as to D-2 ANTHONY CRAIG PAUL)

18 U.S.C. §§287, 2: False, Fictitious or Fraudulent Claim, Aiding and Abetting

On or about August 3, 2008, in the Eastern District of Michigan,

D-2 ANTHONY CRAIG PAUL, defendant, aiding and abetting another known to the Grand Jury, knowingly made and presented to the Internal Revenue Service, an agency of the Department of the Treasury, a claim against the United States for payment which they knew to be false, fictitious and

fraudulent, by preparing and causing to be prepared, and filing and causing to be filed, what purported to be an amended individual federal income tax return for a taxpayer whose initials are **SLM**, in which a claim for an income tax refund in an amount of \$621,084 was made, with knowledge that such claim was false, fictitious, and fraudulent, all in violation of Sections 287 and 2 of Title 18 of the United States Code.

COUNT TEN

(as to **D-1 JOHNNIE DENHAM, JR.**; **D-4 FELICIA C. RAMSEY**)
18 U.S.C. §§287, 2: False, Fictitious or Fraudulent Claim, Aiding and Abetting

On or about July 14, 2009, in the Eastern District of Michigan,

D-1 JOHNNIE DENHAM, JR., and **D-4 FELICIA C. RAMSEY**, defendants, aiding and abetting one another, knowingly made and presented to the Internal Revenue Service, an agency of the Department of the Treasury, a claim against the United States for payment which they knew to be false, fictitious and fraudulent, by preparing and causing to be prepared, and filing and causing to be filed, what purported to be an amended individual federal income tax return for **D-4 FELICIA C. RAMSEY**, in which a claim for an income tax refund in an amount of \$390,788 was successfully made, with knowledge that such claims were false, fictitious, and fraudulent, all in violation of Sections

287 and 2 of Title 18 of the United States Code.

COUNT ELEVEN

(as to D-1 JOHNNIE DENHAM, JR.; D-4 FELICIA C. RAMSEY)

18 U.S.C. §§287, 2: False, Fictitious or Fraudulent Claim, Aiding and Abetting

On or about August 23, 2009, in the Eastern District of Michigan,

D-1 JOHNNIE DENHAM, JR., and D-4 FELICIA C. RAMSEY, defendants,

aiding and abetting one another, knowingly made and presented to the Internal

Revenue Service, an agency of the Department of the Treasury, a claim

against the United States for payment which they knew to be false, fictitious

and fraudulent, by preparing and causing to be prepared, and filing and

causing to be filed, what purported to be an amended individual federal

income tax return for **D-4 FELICIA C. RAMSEY**, in which a claim for an

income tax refund in an amount of \$390,860 was made, with knowledge that

such claims were false, fictitious, and fraudulent, all in violation of Sections 287 and 2 of Title 18 of the United States Code.

This is a true bill.

s/Foreperson of the Grand Jury
Foreperson of the Grand Jury

BARBARA L. McQUADE
United States Attorney


s/Ross I. MacKenzie
Ross I. MacKenzie
Chief, Complex Crimes Unit

s/Craig A. Weier
Craig A. Weier (P33261)
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Dated: March 4, 2014

ORIGINALUnited States District Court
Eastern District of Michigan**Criminal Case Cov**Case:2:14-cr-20115
Judge: Rosen, Gerald E.
MJ: Michelson, Laurie J.
Filed: 03-04-2014 At 04:04 PM
INDI USA V. DENHAM, ET AL (TAM)

NOTE: It is the responsibility of the Assistant U.S. Attorney signing this form to comp

Reassignment/Recusal Information This matter was or**Companion Case Information**This may be a companion case based upon LCrR 57.10 (b)(4)¹:☐ Yes☒ No**Companion Case Number:****Judge Assigned:****AUSA's Initials:** **Case Title:** USA v. Johnnie Denham, Jr., et al.**County where offense occurred :** Wayne County, Michigan**Check One:** ☒ **Felony**☐ **Misdemeanor**☐ **Petty**

- ☒ Indictment/___ Information --- no prior complaint.
 ___ Indictment/___ Information --- based upon prior complaint [Case number: _____]
 ___ Indictment/___ Information --- based upon LCrR 57.10 (d) [Complete Superseding section below].

Superseding Case Information**Superseding to Case No:** _____ **Judge:** _____

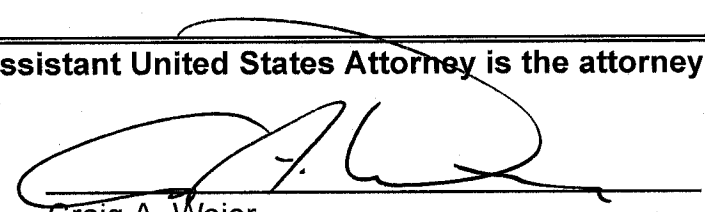
- ☐ Original case was terminated; no additional charges or defendants.
☐ Corrects errors; no additional charges or defendants.
☐ Involves, for plea purposes, different charges or adds counts.
☐ Embraces same subject matter but adds the additional defendants or charges below:

Defendant name**Charges****Prior Complaint (if applicable)**

Please take notice that the below listed Assistant United States Attorney is the attorney of record for the above captioned case.

March 4, 2014

Date


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¹ Companion cases are matters in which it appears that (1) substantially similar evidence will be offered at trial, (2) the same or related parties are present, and the cases arise out of the same transaction or occurrence. Cases may be companion cases even though one of them may have already been terminated.